

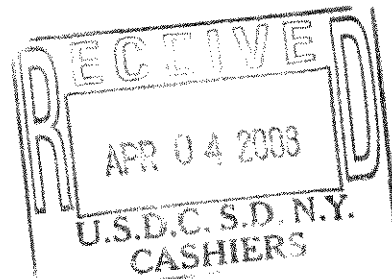
JUDGE KAPLAN

Michael J. Frevola
Christopher R. Nolan
HOLLAND & KNIGHT LLP
195 Broadway
New York, NY 10007-3189
(212) 513-3200

08 CV 03343

ATTORNEYS FOR PLAINTIFFS
INGOSSTRAKH JOINT STOCK INSURANCE
COMPANY LIMITED OF RUSSIA

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK



INGOSSTRAKH JOINT STOCK INSURANCE
COMPANY LIMITED OF RUSSIA,

Plaintiff,

-against-

WUXI ANTAI POWER MACHINERY CO. LTD.,

Defendant.

08 Civ. _____()

VERIFIED COMPLAINT

Plaintiff, Ingosstrakh Joint Stock Insurance Company Limited of Russia ("Plaintiff" or "Ingosstrakh"), by and through their attorneys, Holland & Knight LLP, for its verified complaint against defendant, Wuxi Antai Power Machinery Co. Ltd. ("Defendant" or "Wuxi Antai"), allege, upon information and belief, as follows:

1. This is a case of admiralty and maritime jurisdiction as hereinafter more fully appears and is a maritime claim within the meaning of Rule 9(h) of the Federal Rules of Civil Procedure.

2. At all times material herein, plaintiff Ingosstrakh was and is a business entity organized and existing under the laws of Russia and maintains a place of business at Ul. Pyatnitskaya 12/4, Moscow, Russia.

3. Upon information and belief, at all times material herein, defendant Wuxi Antai is a business entity organized and existing under the laws of the People's Republic of China with a registered address at No. 9, Tangnan Yizhi Road, Nanchang District Wuxi, Jiangsu 21400 China.

4. Plaintiff is the marine hull insurer of Valetta Holding Corporation of the British Virgin Islands ("Valetta") as the owner and/or manager and/or subsidiary and/or affiliated and/or associated company and/or bareboat charterer of the M/V MASTER K ("Vessel").

5. Plaintiff brings this claim as subrogee with regards to Valetta's claim against Wuxi Antai regarding damages to the Vessel caused by Defendants.

6. On or about November 11, 2005, Valetta purchased the Vessel from Tenglong Shipyard, Zhejiang pursuant to a Memorandum of Agreement on Norwegian Saleform 1993, as amended ("MOA"). A true and correct copy of the MOA is annexed as Exhibit 1.

7. The Vessel's engine was manufactured by the defendant Wuxi Antai. A true and correct copy of the Wuxi Antai Certificate of Product is annexed as Exhibit 2.

8. The Vessel was delivered to Valetta brand new, but three major main engine breakdowns occurred within the first nine months following delivery.

9. The first serious main engine breakdown occurred on or about March 12, 2006, during the Vessel's maiden voyage from Shanghai to La Spezia. The cause was reported to be a missing securing wire that allowed a gear train bolt to come loose and fall into the gears causing damage. Wuxi Antai was unable to send representatives to mend the engine, so repairs were carried out by the crew.

10. On or about June 9, 2006, during a ballast voyage from Hereke, Turkey to Kerch, Ukraine, the Vessel suffered a second main engine breakdown. The reported failure was due to faulty securing of bolts at the time of the new building. The engine repairs were carried out in Varna, Bulgaria. Wuxi Antai sent a representative from China to oversee the repairs. The engine repairs were not completed until September 23, 2006. A true and correct copy of the Salvage Association's report regarding this engine breakdown is annexed as Exhibit 3. A true and correct copy of the Wuxi Antai Warranty for Repaired Engine relating to these repairs is annexed as Exhibit 4.

11. On or about October 23, 2006, during a ballast voyage from Italy to Ukraine the Vessel suffered a third breakdown. The engine crankshaft was damaged. Wuxi Antai sent a representative and spare parts from China, and the repairs were effected in Piraeus, Greece. A true and correct copy of the Salvage Association's report regarding this engine breakdown is annexed as Exhibit 5. A true and correct copy of the Wuxi Antai Crankshaft Report is annexed as Exhibit 6.

12. According to the insurance policy, Plaintiff has indemnified the insured and subrogor, Valetta, under the relevant hull policy in the amount of USD \$617,000 for towage and repairs related to the three engine breakdowns.

13. On March 11, 2008, a claim was filed by Ingosstrakh against Wuxi Antai in the courts of the People's Republic of China. Plaintiffs are not seeking security for costs and attorneys fees expending while prosecuting its claims to completion.

14. Upon information and belief, it will take approximately three years for the Plaintiff's claims against Defendant currently pending in the Chinese courts to be prosecuted to

completion. Accordingly, Plaintiff seeks prejudgment interest on its underlying claim in the amount of US\$97,177.50 (US\$617,000 x 0.0525/year x 3 years).

15. Based on the preceding, Plaintiff's total claim against Defendants is US\$714,177.50 (including interest).

16. Defendant is not found within the Southern District of New York but do have assets, good or chattels within the jurisdiction, to wit: funds or accounts held in the name (or names) of Wuxi Antai Power Machinery Co. Ltd. with, upon information and belief, the following financial institutions: Bank of America, N.A.; Bank of China; The Bank of New York; Citibank, N.A.; Deutsche Bank Trust Company Americas; HSBC Bank USA, N.A.; JPMorgan Chase Bank, N.A.; UBS AG; Wachovia Bank, N.A.; Société Générale; Standard Chartered Bank; BNP Paribas; Calyon Investment Bank; American Express Bank; Commerzbank; ABN Amro Bank; Bank Leumi USA; Banco Popular; China Trust Bank; Industrial Bank of Korea; Shin Han Bank; Great Eastern Bank; Nara Bank; United Orient Bank; or any other financial institution within the Southern District of New York.

WHEREFORE, Plaintiff demands judgment as follows:

1. That process in due form of law according to the practice of this Court in the form of a writ of maritime attachment be issued against bank accounts and other property of Wuxi Antai Power Machinery Co. Ltd. with the financial institutions noted above in paragraph 16;

2. That Wuxi Antai Power Machinery Co. Ltd. and any other person claiming an interest therein may be cited to appear and answer the matters aforesaid;

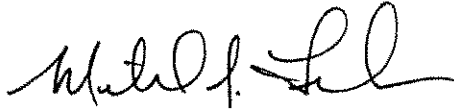
3. That judgment be entered in favor of Ingosstrakh Joint Stock Insurance Company Limited of Russia in the amount of US\$714,177.50; and,

4. That this Court grant Ingosstrakh Joint Stock Insurance Company Limited of Russia, such other and further relief which it may deem just and proper.

Dated: New York, New York
April 3, 2008

HOLLAND & KNIGHT LLP

By:



Michael J. Frevola
Christopher R. Nolan
195 Broadway
New York, NY 10007-3189
Tel: (212) 513-3200
Fax: (212) 385-9010

*Attorneys for Plaintiffs
Ingosstrakh Joint Stock Insurance
Company Limited of Russia*

VERIFICATION

STATE OF NEW YORK)

:ss.:

COUNTY OF NEW YORK)

MICHAEL J. FREVOLA, being duly sworn, deposes and says:

I am a member of the firm of Holland & Knight LLP, counsel for Ingosstrakh Joint Stock Insurance Company Limited of Russia ("Plaintiff"), plaintiff in the foregoing action. I have read the foregoing Verified Complaint and know the contents thereof, and the same are true and correct to the best of my knowledge. I have reviewed documentation provided to me by Plaintiffs and corresponded with Plaintiffs' representatives regarding this matter. I am authorized by Plaintiff to make this verification, and the reason for my making it as opposed to an officer or director of Plaintiff is that there are none within the jurisdiction of this Honorable Court.



Michael J. Frevola

Sworn to before me this
3rd day of April, 2008



Notary Public

Linda M. Wilkens
Notary Public, State of New York
No. 01WI9672455
Qualified in Queens County
Certificate filed in New York County
Commission Expires September 30, 2010

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EXHIBIT 1

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MEMORANDUM OF AGREEMENT

Norwegian Shipbroker Association's Memorandum of Agreement for sale and purchase of ships. Adopted by The Baltic and International Maritime Council (BIMCO) in 1956
Code-name

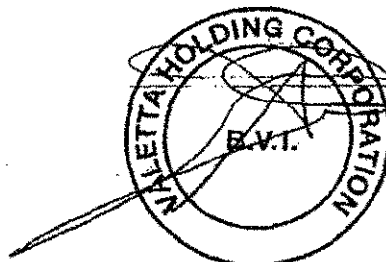
SALEFORM 1993

Revised 1966, 1983 and 1986/87.

Dated: 30/11/2005 Contract No.: 05SCCK/45759VG

1. EASTLAND SHIPPING CO., LTD., TEDA, CHINA ON BEHALF OF SHIPYARD TENGLONG SHIPYARD, ZHEJIANG, VIA AGENT: 1
2. CHINA COMMUNICATIONS IMPORT AND EXPORT CORP. 2
3. 6/F. CHINA MERCHANTS TOWER, NO. 118, JIAN GUO LU, CHAOYANG DISTRICT, BEIJING, CHINA 3
- hereinafter called the Sellers have agreed to sell and
4. VALETTA HOLDING CORPORATION BVI 4
5. Akara Bldg, 24 De Castro Street Wickhams Cay I Road Town 5
6. Tortola, British Virgin Islands 6
7. hereinafter called the Buyers have agreed to buy and 7
8. Name: M/V "QIN FENG 137" 8
9. Classification Society/Class: International SHIP CLASSIFICATION 9
10. Built: 2005 By: TENGLONG SHIPYARD, ZHEJIANG, CHINA 10
11. Flag: CHINA Place of registration: TAIZHOU CHINA 11
12. Call Sign: GRT/NRT: 4908 / 2748 12
13. Register Number: Providing afterwards upon the ISC CLASS 13
14. hereinafter called the Vessel on the following terms and conditions: 14
15. Definition 15
16. Banking days are days on which banks are open both in the country of the currency 16
17. stipulated for the Purchase Price in Clause 1 and in the place of closing stipulated in Clause 8 17
18. In writing or written means a letter handed over from the Sellers to the Buyers or vice versa a registered 18
19. letter telex, telefax or other modern form of written communication 19
20. 'Classification Society' or 'Class' means the Society referred to in line 9 20
21. 1. Purchase price 21
22. The purchase price of the vessel shall be US DOLLARS FOUR MILLION AND TWO HUNDRED THOUSAND ONLY 22
23. (USD 4 200 000.-) 23
24. 24
25. 25
26. 26
27. 27
28. 2. Deposit 28
29. As security for the current fulfilment of this Agreement the Buyers shall pay a deposit of 10% (ten percent) of the 29
30. Purchase Price within 3 banking days from the date of this Agreement. This deposit shall be placed with 30
31. CHINA MERCHANTS BANK, and transferred to the name of the Sellers. Interest if any to 31
32. be credited to the Buyers. Any fee charged for holding the said deposit shall be borne equally by the Sellers and the Buyers 32
33. 3. Payment 33
34. The said Purchase Price shall be paid in full together with the 10% deposit as per clause 2 above free of bank charges 34
35. to the account of the Sellers as advised by them on delivery of 35
36. vessel, but not later than 3 banking days after the Vessel is in every respect 36
37. physically ready for delivery in accordance with the terms and conditions of this 37
38. Agreement and Notice of Readiness has been given in accordance with clause 5 38

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39 4. Inspections 39

40 The Sellers accepted remarks of Buyers Surveyor and the Ship to be delivered at Taizhou
 41 with rectified deficiencies. So the deal is definitely outright and subject to the terms
 42 and conditions of this M.O.A. The list of the remarks to be attached to the Addendum nr. 1 of the present M.O.A.

43 5. Notice, time and place of delivery 43

44 The Sellers shall keep the Buyers well informed of the Vessel's Itinerary and shall
 45 provide the Buyers with 15/10/775 approximate notice of vessel expected delivery and then shall tender 3/2/1
 46 days definite notice of readiness for delivery. When the
 47 vessel is at the place of delivery and in every respect physically ready for delivery in accordance with
 48 this Agreement, the Sellers shall give the Buyers a written Notice of Readiness for delivery. Sellers not to tender actual notice of
 49 readiness until the vessel is ready in every respect for delivery in accordance with the MOA.
 50 The Vessel shall be delivered and taken over safely afloat at a safe and accessible berth or anchorage
 51 at Taizhou port, China.
 52 Expected time of delivery: 25th January - 15th February, 2008
 53 Date of canceling: 24:00 hrs local time, 15th February, 2008.
 54 Vessel should be delivered cargo free with reasonably clean holds, charter free. All vessel's major
 55 machinery and equipment, hatch system, galley and catering equipment, navigation and radio
 56 equipment safety equipment and installations shall be in good operational conditions
 57 Should the Vessel become an actual constructive or compromised total loss before delivery the
 58 deposit together with interest earned shall be released immediately to the Buyers whereat this
 59 Agreement shall be null and void.

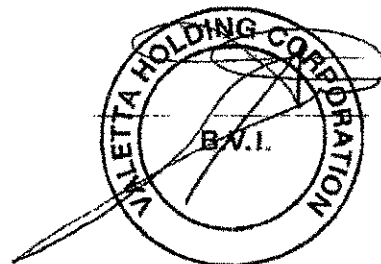
60 6 Dry-docking/Divers Inspection 60

61 The Vessel is to be delivered without dry-docking. However, the Buyers shall
 62 have the right at their expense to arrange for an underwater inspection by a diver approved by the
 63 Classification society prior to the delivery of the Vessel. The Sellers shall at their cost make the Vessel
 64 available for such inspection. The extent of the inspection and the conditions under which it is performed
 65 shall be to the satisfaction of the Classification society.

66 7. Spares/bunkers, etc. 66

67 The vessel shall be delivered and taken over with everything belonging to the vessel on board ashore
 68 or on order (at no cost to buyer) including all radio and navigational aids, and
 69 broached/unbroached stores provisions and used/unused spares as onboard
 70 All spare parts and spare equipment including spare tail-end shaft(s) and/or spare propeller(s)/propeller blade(s) if
 71 any belonging to the Vessel used or unused, whether on board or not shall become the
 72 Buyers property, but spares on order are to be excluded. Forwarding charges, if any, shall be for the Buyers account.
 73 The Sellers are not required to replace spare parts including spare tail-end shaft(s) and spare propeller(s)/propeller
 74 blade(s) which are taken out of spare and used as replacement prior to delivery, but the replaced items shall be the
 75 property of the Buyers. The original radio & navigational equipments shall be included in the
 76 sale without extra payment. Unused stores and provisions shall be included in the sale and be taken over by the
 77 Buyers without extra payment.
 78 There is no hired items on board.
 79 Captain's Officers' and Crew's personal belonging including the slop-chest are to be excluded
 80 from the sale.
 81 Buyers shall take over and pay for remaining bunkers and unused luboils in
 82 unbroached/sealed drums at the Sellers net purchase price confirmed with supporting
 83 vouchers, unused lub oils are defined as those lube oils which have not passed through the
 84 system and which are stored in sealed drums or tanks.
 85 Payment under this Clause shall be made at the same time and place and in the same currency as the
 86 Purchase Price.

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87 8 Documentation 87

88 The place of closing : TAIZHOU -CHINA 88

89 In exchange for payment of the Purchase Price the Sellers shall furnish the Buyers with delivery 89
90 documents, namely: 9091 a) Legal Bill of Sale in a form recordable in the country in which the Buyers are to register the 91
92 Vessel, warranting that the Vessel is free from all encumbrances, mortgages and maritime liens or 92
93 any other debts or claims whatsoever duly notarially attested by such 93
94 relevantly competent authority. 9495 b) Current Certificate of Ownership issued by the competent authorities of the flag state of 95
96 the Vessel. 9697 c) Certificate of Deletion of the Vessel from the Vessel's registry or other official evidence of deletion appropriate to 97
98 the Vessel's registry at the time of delivery, or, in the event that the registry does not as a matter of practice issue such 98
99 documentation immediately, a written undertaking by the Sellers to effect deletion from the Vessel's registry 99
100 forthwith and furnish a Certificate or other official evidence of deletion to the Buyers promptly and latest within 20 100
101 (twenty) days after the Purchase Price has been paid and the Vessel has been delivered 101

102 d) Any such additional documents as may reasonably be required by the Buyers 102

103 At the time of delivery the Buyers and Sellers shall sign and deliver to each other a Protocol of Delivery and 103

104 Acceptance confirming the date and time of delivery of the Vessel from the Sellers to the Buyers 104

105 At the time of delivery the Sellers shall hand to the Buyers the classification certificate(s) as well as 105

106 all plans etc., which are on board the Vessel. Other certificates which are on board of the Vessel shall also be handed over 106

107 to the Buyers unless the Sellers are required to retain same, in which case the Buyers to have the right to take 107

108 copies. Other technical documentation which may be in the Sellers' possession shall be promptly forwarded to the 108

109 Buyers at their expense, if they so request. The Sellers may keep the Vessel's log books but the Buyers to have the 109

110 the right to take copies of same 110

111 e) Confirmation of Class issued within 72 hours prior to delivery 111

112 f) Current Certificate issued by the competent authorities stating that the Vessel is free from registered encumbrances 112

113 9. Taxes, etc. 113

114 Any taxes, fees and expenses in connection with the purchase and registration under the Buyers' flag 114

115 shall be for the Buyers account where as similar charges in connection with the closing of the Sellers' 115

116 register shall be for the Sellers' account 116

117 10 Condition on delivery 117

118 The Vessel with everything belonging to her shall be at the Sellers' risk and expense until she is delivered to the 118

119 Buyers, but subject to the terms and conditions of this agreement she shall be delivered and taken over 119

120 fair wear and tear excepted. At the time of delivery, the sellers to demonstrate all equipment 120

121 machinery and systems on board to Buyers representatives in working condition. However, the 121

122 Vessel shall be delivered with her class maintained without condition/recommendation*, free of overage damage 122

123 affecting the Vessels class and with her classification certificates and national certificates, as well as all other 123

124 certificates the Vessel had, valid and unextended without condition/recommendation* by Class 124

125 or the relevant authorities at the time of delivery 125

126 *Notes, if any in the surveyor's report 126

127 which re accepted by the Classification Society without condition/recommendation are not to be taken into account 127

128 11 Name/markings 128

129 Upon delivery the Buyers undertake to change the name of the Vessel and alter funnel markings 129

130 12. Buyers' default 130

131 Should the deposit not be paid in accordance with Clause 2, the Sellers have the right to cancel this 131

132 Agreement, and they shall be entitled to claim compensation for their losses and for all expenses 132

133 incurred together with interest. 133

134 Should the Purchase Price not be paid in accordance with Clause 3, the Sellers have the right to cancel 134

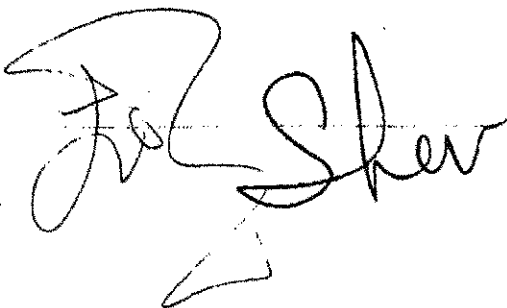
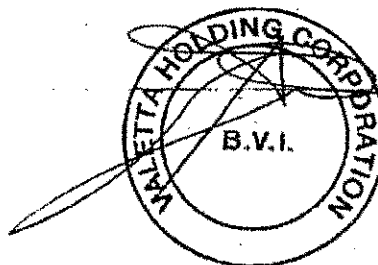
135 the Agreement, in which case the deposit together with interest earned shall be released to the Sellers. 135

136 If the deposit does not cover their loss, the Sellers shall be entitled to claim further compensation for 136

137 their losses and for all expenses incurred together with interest 137

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138 13 Sellers' default 138

139 Should the Sellers fail to give Notice of Readiness in accordance with Clause 5 or fail to be ready to 139
 140 validly complete a legal transfer by the date stipulated in line 53 the Buyers shall have the option of canceling this Agreement 140
 141 provided always that the Sellers shall be granted a maximum of 3 banking days after Notice of 141
 142 Readiness has been given to make arrangements for the documentation set out in Clause 8. If after 142
 143 Notice of Readiness has been given but before the Buyers have taken delivery, the Vessel ceases to be 143
 144 physically ready for delivery and is not made physically ready again in every respect by the date 144
 145 stipulated in line 53 and new Notice of Readiness given, the Buyers shall retain their option to cancel 145
 146 in the event that the Buyers elect to cancel this Agreement the deposit together with interest earned 146
 147 shall be transferred back to them immediately. 147
 148 Should the Sellers fail to give Notice of Readiness by the date stipulated in line 53 or fail to be ready to validly 148
 149 complete a legal transfer as aforesaid they shall make due compensation to the Buyers for their loss 149
 150 and for all expenses together with interest if their failure is due to proven negligence and whether or 150
 151 not the Buyers cancel this Agreement. In the event that the Sellers fail to deliver the Vessel by the date stipulated in line 53 the Buyers shall 151
 152 entitled to claim compensation for their losses and for all expenses incurred together with interest. 152

153 14 Buyers' representatives 153

154 After this Agreement has been signed by both parties and the deposit has been lodged, the Buyers 154
 155 have the right to place three representatives on board the Vessel at their sole risk and expense upon 155
 156 arrival. These representatives are on board for the purpose of familiarization and in the capacity of 156
 157 observers only, and they shall not interfere in any respect with the operation of the Vessel. The 157
 158 Buyers' representatives shall sign the Sellers' letter of indemnity prior to their embarkation. The 158
 159 Sellers must provide boarding lodging and other required assistance to Buyers' crew 159

160 15 Arbitration 160

161 This Agreement shall be governed by and construed in accordance with English law and any dispute arising out of this 161
 162 Agreement shall be referred to arbitration in London in accordance with the Arbitration Acts 1950 and 1979 or any 162
 163 statutory modification or re-enactment thereof for the time being in force, one arbitrator being appointed by each party 163
 164 On the receipt by one party of the nomination in writing of the other party's arbitrator, that party shall appoint their 164
 165 arbitrator within fourteen days, failing which the decision of the single arbitrator appointed shall apply. If two arbitrators 165
 166 properly appointed shall not agree they shall appoint an umpire whose decision shall be final. 166

167 16 This deal/negotiations to be kept strictly private and confidential 167

168 17 ENCUMBRANCES. 168

169 The Sellers warrant that the Vessel, at the time of delivery is free from all charters, encumbrances, mortgages and 169
 170 maritime liens or any other debts whatsoever. The Sellers hereby undertake to indemnify the Buyers against all 170
 171 consequences of claims made against the Vessel which have been incurred prior to the time of delivery. The Sellers 171
 172 to provide an undertaking letter to the Buyers at the time of delivery against all consequences of claims made 172
 173 against the vessel which have been incurred prior to the time of delivery. Sellers to confirm in writing that to the 173
 174 best of their knowledge the vessel is not blacklisted by any country 174

175 SIGNED BY SELLER

176 Date:

VALETTA HOLDING CORPORATION
SIGNED BY BUYER

Date:

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Addendum No.1

TO

THE MEMORANDUM OF AGREEMENT

(THE "M.O.A")

DATED 30/11/ 2005

FOR

M/V "QIN FENG 137"

(THE "VESSEL")

With reference to the above mentioned M.O.A. made by and between EAST LAND SHIPPING CO.LTD.TEDA,CHINA ON BEHALF OF SHIPYARD TENGLONG SHIPYARD,ZHEJIANG (hereinafter called the "Sellers") VIA AGENT:CHINA COMMUNICATIONS IMPORT AND EXPORT CORP. and VALETTA HOLDING CORPORATION BVI (hereinafter called the "Buyers"), the Sellers and the Buyers hereby mutually agreed as follows:

Bulwark not welded.

Material of fire valves is not accepted for using in sea water After two month of operating, this valves will be destroyed. Need replacement.

Air ventilation in CO2 room missing, thermometer missing ,Cylinder not marked with in accordance of international requirement Test of alarm required

Safety box around bunkering connections are missing. To be installed for avoid oil pollution

Fire protection nets of air ventilation head to be replaced due material of nets is black ateel and very thin

Accommodation doors to be replaced due construction is not accepted for seagoing vessels

All pipes passed from bulkheads without special connection It's very dangers due to fuel can come in water and water can mixed with fuel.

Water jet test of portholes and doors required.

In all spaces air ventilation missing.

Electrical box(380V), on open deck to be replaced due construction of boxes is not waterproof

Life rafts capacity 10 person each and not IMO approved due to supply inside of life rafts out of international regulations Also capacity of rafts must be 15 person each one Life boat installed only from one side Construction must be close type, Second one close life boat to be installed together with launching appliance devices Total must be two each boat from each side.

Inside funnel fire protection clapper missing

In space of funnel lights missing.

Compass repeaters are missing. To be installed. This international requirements

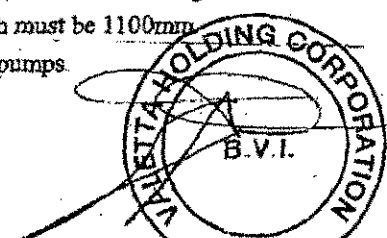
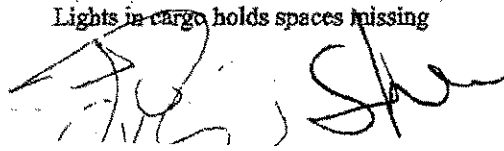
Navigational bridge doors to be replaced.

Hatch cover fittings to be replaced. Construction is not accepted, Need more stronger

Bulwark to be reinstalled with international requirements. Depth must be 1100mm

Windlass is out of operating due to leakages of oil in hydraulic pumps.

Lights in cargo holds spaces missing



Gas oven to be replaced on electrical. To be installed
 In steering gear room air ventilation missing. To be installed
 All seavalves material is black steel. To be replaced due to after one month will be out of operation. This possible to do when vessel at shore.
 Before tanks filling all tanks to be presented to owner representatives. To be checked with accordance of project.
 Medical certificate for fresh water tank to be presented.
 Hull, Main Engine Auxelary Engines, separators, boiler, fuel treatment station instructions and booklets must to be translated in English.
 Seat trail test program to be presented to Buyers(owner representative) for confirmation.
 Working time in sea trail test must be not less than 58 hrs (fifty-eight hours).
 Light fuel separator missing.
 Dabble skin pipe on engines are missing, alarm missing. To be installed
 Protection nets in seachest to be replaced due to material black steel
 Vessel to be supplied with international requirements. Safety and fire equipments.
 Radio equipments must be accepted for GMDSS area A3 and with accordance of international requirements.
 Navigation wings to be reforced.
 Sewage treatment plan to be replaced on collection tanks V=4 cbm
 Fire pumps switch board to be installed on navigational bridge

Also please be noted that we would like to receive the ship under Tuvalu class of registry.
 It's mean that full documentation SOPER, Garbage Manual, Cargo Manual must to be on board.

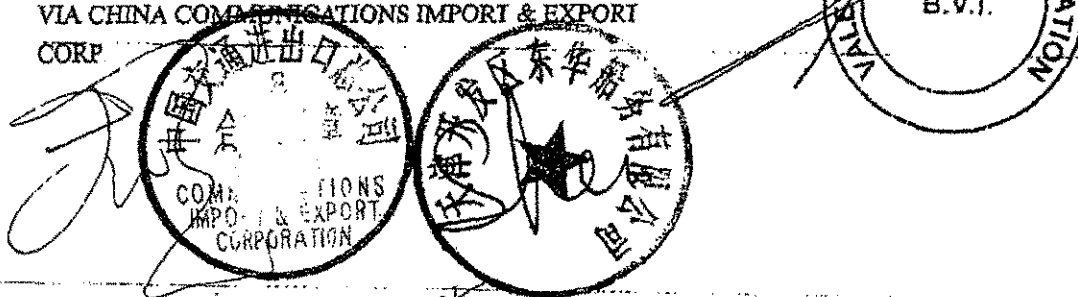
IN WIINESS WHEREOF, the parties hereto have caused this Addendum No.1 to the M.O.A to be duly executed.

For the Sellers:

EASTLAND SHIPPING CO.LTD. JEDA CHINA
 ON BEHALF OF SHIPYARD
 TENG LONG SHIPYARD, ZHEJIANG
 VIA CHINA COMMERCE IMPORT & EXPORT
 CORP

For the Buyers:

VALETTA HOLDING CORPORATION
 BVI



1-12-2008

EXHIBIT 2

15/11 2008 10:00 FAX 86 22 85292800

001



无锡市安泰动力机械有限公司
WUXI ANTAI POWER MACHINERY CO., LTD
产品证书
CERTIFICATE OF PRUDUCT

兹证明本公司以下产品经检验符合证书注明标准的要求。

This is to certify that the following products of WUXI ANTAI POWER MACHINERY CO., LTD are found to comply with the requirements of the specified standards.

制造厂名: 无锡市安泰动力机械有限公司

Manufacture: WUXI ANTAI POWER MACHINERY CO., LTD

订货方: 浙江腾龙船厂

Purchaser: Zhejiang Teng Long Shipyard

产品名称: 曲轴

Product: crankshaft

认可证书号/Cert. no of approval: SHF0312002

图纸批准号 Approval no. of drawing: SHA02130427-1

用于: 船舶主机

Intended for: marine engine

产品编号/Serial no.: 03-71

产品检验标准/product inspection standard:

1. 中国船级社《钢质海船入级规范》(2006), 第三篇, 第9章
Chapter 9, Part3 of Rules for The Classification of Sea-going Steel Ships(2006)
2. 中国船级社批准的图纸
Drawing approved by CCS
3. GDJT-001A-002 《G300 系列柴油机曲轴验收技术条件》
(G300 series engines crankshaft inspection technical specification)

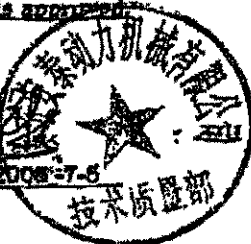
检验结果: 曲轴符合相关技术标准, 合格。

Inspection Conclusion: The result of inspection comply with the technical requirement and criterion, the product is approved.

工厂检验员:

Inspector:

发证日期/Date of issue: 2008-7-8



验船师:

Surveyor:

CCS 上海

Gu Chengjun

EXHIBIT 3

AUG. 14. 2001 03:11

#0326 P.002

THE SALVAGE ASSOCIATION

To: Ingosstrakh Insurance Company	Cc: The Salvage Association Piraeus
Attention: Yulia Kashina	Attention: John Edmonds
GSS: 251297	Piraeus Office Case No. TBA
Case name: "Master K"	Date: 15 June 2006

INITIAL ADVICE

Instructing Party:	Ingosstrakh Insurance Co / Yulia Kashina
Type of policy/instruction:	Hull and Machinery.
Instruction date:	13 June 2006
Vessel name:	"Master K"
Owners name and port of registry:	Valetta Holding Corporation BVI Port of Registry Funafuti
Official number:	12590606
IMO Number:	9381811
Year built/GRT/DWT:	2006/ 4699/ 7415
Classification society:	China Classification Society
Flag:	Tuvalu
Attending surveyor:	Lyubomir Djambazov
Contact Details:	Via Piraeus Office
Surveyed at:	Odesos Shipyard, Varna Bulgaria.
Date:	14 June 2006

Date and Nature of casualty:- 9 June 2006 – Main Engine Damage

It was reported that on 8 June the vessel was on a ballast passage Hereke, Turkey to Kerch, Ukraine. At 20.06 hrs the Chief Engineer was passing near the main engine when a crank shaft balance weight came out from unit No. 1, braking the crank case cover, part of the cylinder block in way of Units Nos. 1 and 2 and hit the starboard side ladder in the engine room. The main engine which had been operating at 540 RPM was immediately stopped. At the time of the alleged casualty the main engine was running at 540 rpm and the vessel was, making approximately 12 knots. At the time of the incident all parameters of the main engine were reported to be within the limits, and this was confirmed by entries in the engine log book.

The above based on Chief Engineer's statement and Abstracts from log books, copies of which were presented for our perusal.



The Salvage Association is a trading style of BMT Salvage Limited

Member of the BMT group of companies
Registered Office: Oxwich House, 1 Waldegrave Road, Teddington, Middlesex, TW11 8JZ, UK

AUG. 14. 2001 03:11

#0326 P.003 /008

THE SALVAGE ASSOCIATION

Brief description & extent of damage:-

Details of the Main Engine

Manufacturer	Wuxi Antai Power Machinery Co. Ltd.
No. of cylinders	8
Bore	300mm
Stroke	380mm
Output	2426 kW
Revolutions	630

Damage found

1. Cylinder liner No.1 was found cracked in the lower part approximately 150 mm in length.
2. Main bearing lube oil pipe of unit No.1 found smashed and disconnected from end main bearing cup coupling. Small part of the cylinder block in way of the lube oil pipe missing.
3. The cylinder block heavily contacted and sections broken off. On the crank case covers Nos.1 & 2 found with broken/missing piece with approximate dimensions 150 x 150 mm.
4. The cylinder block above the crank case cover No.1 found cracked approximately 100 mm with missing small piece.
5. The two balance weight securing bolts found broken in two. The lower part of the bolts were found blocked in the balance weight.
6. All lock screws of the connecting rod bolts connecting the balance weight to the crankshaft were not securing the bolts and hence it is possible for the bolts to unscrew.
7. Apart from the damage the split pins of the connecting rod nuts of the connecting rod caps in No.1 & No.2 units found broken.
8. The crank shaft was manually turned and all parts inspected by us. No visual damages observed.

Nature and estimated time for repairs:-

Main engine to be isolated and opened up completely for a detailed examination.

As the balance weight became detached from the crankshaft and contacted the engine block before it was thrown clear there is a possibility that there may be distortion on the alignment of the crankshaft and it should be removed for checking in the lathe.

AUG. 14. 2001 03:11

#0326 P.004 /008

THE SALVAGE ASSOCIATION

The landing face for the balance weight on the crankshaft web to which the balance weight is "blue" fitted to be examined together with the holes for the fitted bolts and if these are found damaged the crankshaft may be condemned for further use.

All balance weights to be removed from the crankshaft and all the securing bolts and the threads examined for damage and / distortion. Any found damaged in any way to be replaced. On completion the crankshaft to be re-assembled with a new set of bearings.

The engine block to be removed and cleaned and all surfaces in the affected area tested with "magnaflux" to determine if there are additional fractures not visible to the naked eye. The makers and class to be consulted regarding a possible repair by "metalock" process of the known damaged sections. (See Surveyor's remarks).

All the securing bolts on the engine to be hardened up in accordance with the engine manufacturers' guidelines and locked in position to ensure they cannot come out of position.

Depending on the removal required it may be necessary to make an opening in the shell plate or bulkhead to remove the engine block and receive the replacement parts. There will also be extensive removals for access required.

On completion of the repairs the engine to be rebuilt using new joints and after flushing through the lubricating oil system the engine to be test run to the satisfaction of the interested parties. On completion of re-assembly the alignment of crankshaft to be checked and if necessary the engine to be re-chocked to bring it back into as designed condition.

The time of the permanent repairs is estimated to be approximately 25 working days providing the necessary parts are immediately available.

Dry dock is not necessary for the permanent repairs.

Estimated cost:-

For guidance only at this stage, the cost of permanent repairs, including repair costs and General Services for 25 days is estimated to be in the region of USD 750,000 allowing for renewal of the lower part of the block and the crankshaft. We will provide a further estimate when the full extent of the damages and renewals required are determined.

Cause of damage:-

AUG. 14. 2001 03:11

#0326 P.005 /008

THE SALVAGE ASSOCIATION

For the guidance of those concerned, we are of the opinion that the damage forming the subject of this report could have been sustained as a result of the casualty of the nature of that alleged, namely – breaking of crank shaft balance weight connecting rod bolts of Unit No1 and balance weight went out from the cylinder block to the engine room space.

The actual cause of the failure is believed to be from faulty securing of the bolts at the time of the new building.

Status of repairs:-

The repair works were not started. The Owners are waiting for the attendance of the main engine manufacturers' representative.

ISM DOC details:- Issued by International Ship Classification, at Singapore, on 17 March 2006 and valid until 15 March 2011.

ISM SMC details:- Issued by International Ship Classification, at Shanghai, on 20 January 2006 and valid until 20 July 2006.

Casualty ISM reported: Yes

Remark:

The engine has only been in operation for a total of 1624 running hours since new building and in view of this the owners are we understand to request a new engine block to replace the damaged one.

As the engine was new no maintenance work had been carried out by the crew to any of the units, and the condition found with regard to split pins and locking devices was as the engine was delivered from the manufacturer.

We understand that the engine is still under guarantee from the manufacturer.

Photographs of the condition found are attached for reference

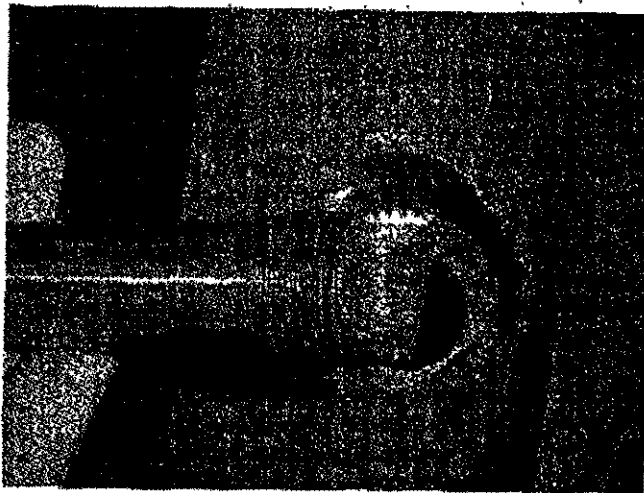
We will keep you advised.

The Salvage Association Varna

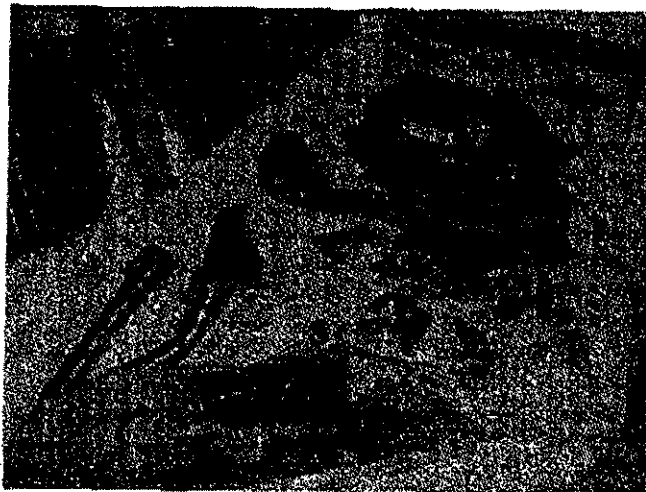
AUG. 14. 2001 03:11

#0326 P.006 /008

THE SALVAGE
ASSOCIATION



Balance weight connecting
rod bolt broken.



Crank case cover broken.
Pieces from the cylinder
block.
The two connecting rod bolts
broken and bent.

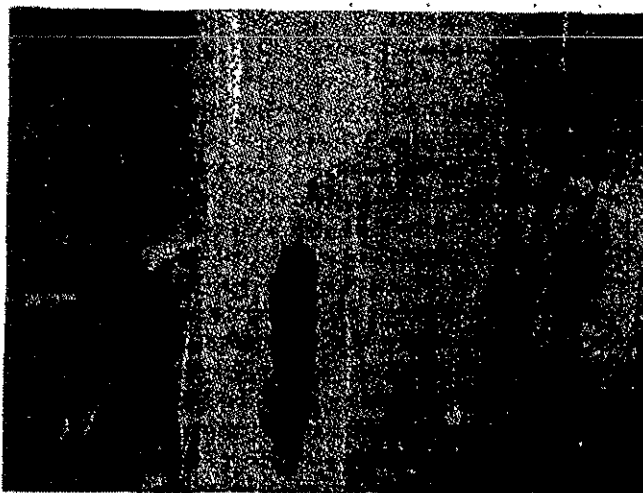
AUG. 18. 2001 03:12

#0326 P.007 /008

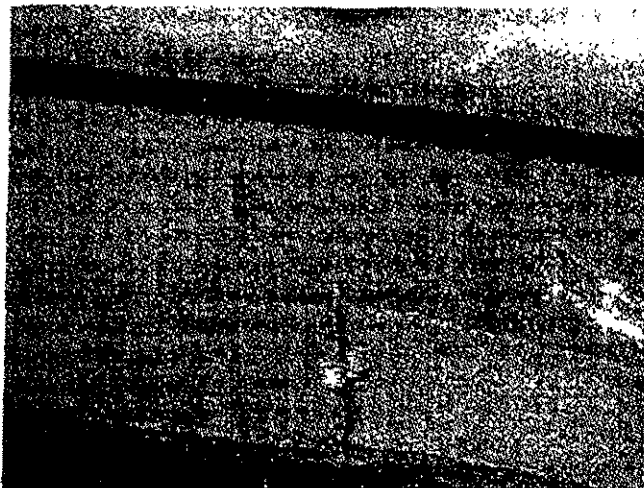
**THE SALVAGE
ASSOCIATION**



Cylinder block damage. Some
pieces of the frame – missing.



Cylinder block damage. Some
pieces of the frame – missing.



Cylinder block cracked

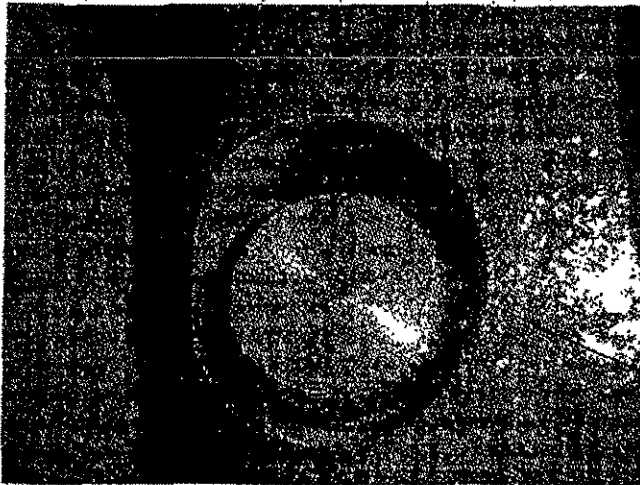
AUG. 18. 2001 03:12

#0326 P.008 /008

THE SALVAGE
ASSOCIATION



Main bearing lube oil pipe of unit No.1 smashed. Small part of the cylinder block into the lube oil pipe found missing.



All lock screws of the connecting rod bolts connecting the balance weight to the crankshaft are not securing the bolts and practically are not protecting the bolts to unscrew.



EXHIBIT 4

022-65292900 王曉峰 經理 收。

WARRANTY FOR REPAIRED ENGINE

Name of ship: "MASTER, K"

Time of repair: sep. 2, 2006 ~ sep. 28, 2006

Causation of repair: the M30X2 bolts of balance weight of cylinder no.1 was broken, the balance weight damage the exhaust side of the engine frame, the

Connecting rod (cylinder no.1) was distorted and the liner (cylinder no.1) was cracked.

Content of repair: changed the engine frame, connecting rod and liner of cylinder no.1, checked relevant parts and components.

Process of repair: the repair was performed by a repairing yard in VARNA port, Directed and supervised by a engineer from wuxi antai power machinery Co., Ltd. During the repair, the damaged engine frame, connecting rod and liner of cylinder no.1 were replaced. Our company guarantees 6 months' warranty of the repaired parts and components.

The G300 series engines of our company are products with Chinese self-determination Intellectual property, they are produced according to relevant Chinese codes, without any other kind of license.

WUXI ANTAI POWER MACHINERY CO., Ltd.



EXHIBIT 5

THE SALVAGE ASSOCIATION HELLAS

To	Ingostrakh Insurance Company	Date	27 October 2006
Atten.	Anastasiya Tikhonova	Rpt No.	H09/07
GSS no.	252286		
Case name	MASTER K		

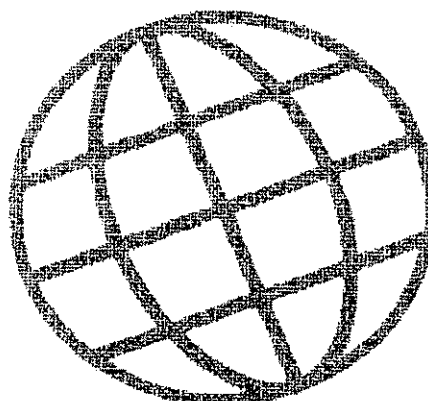
ADVICE 1

Instructing party : Ingostrakh Insurance Company
 Type of policy / Instructions : H&M
 Name of project : N/A
 Instruction date : 24 October 2006
 Vessel's Name : MASTER K
 Type of vessel : Multipurpose
 Owners name : Valetta Holding Corporation
 Port of Registry : Funafiti
 Flag : Tuvalu
 IMO number : 9381811
 Year built/GRI/DWT : 2006 China / 4,699 / 7,415
 Classification society : IS Class (International Ship Classification)

Attending Surveyor : Dinos Levantis
 Surveyed at : Drapetsona repair quay, Piraeus, Greece
 Date : 25 October 2006

Date and Nature of casualty:

23 OCTOBER 2005 - MAIN ENGINE DAMAGE



The Salvage Association HELLAS is a trading style of BMI Salvage Hellas Limited

Member of the BMI group of companies
 Registered Office: Goodrich House, 1 Waldegrave Road, Teddington, Middlesex, TW11 8LZ, UK
 Registered in England No 4147467

History of events

According to the vessel's master and chief engineer verbal statement, (deck & engine log books being in the Russian Language), the following sequence of events was established.

On 20 October 2006, the vessel sailed in ballast from Vasto, Italy to Mariupol, Ukraine.

On 23 October she was crossing Kafiya strait, (West of Andros Island) sailing north bound, when at about 15:00 hrs LT the main engine tripped on the low lub oil pressure.

The 2nd engineer in attendance at that time informed the chief engineer who after inspection of the crankcase found the crankshaft fractured in way of no.6 crankpin.

The master informed the owners who made arrangements with Karapiperis tug company to tow the vessel back to Piraeus.

Tug boat Karapiperis 14 arrived at about 23:11 hrs same day and made fast. At about 23:47 hrs the convoy departed and arrived at Piraeus area on 09:30 hrs on 24 October.

The vessel then shifted to Drapetsona repair quay and was stern moored at about 13:00 hrs on the same day

Extent of Damage

Engine : WUXI SIDA POWER (Chinese make)

No of cylinders :8

Type:G8300ZC22BH

Engine number:0509067

Rated power / revolution: 2206 bhp at 600 rpm

At time of our survey the engine was still packed

Through the crankcase doors on the starboard side a crack was visible on the forward crank-web of no 6 crankpin. As far as it could be seen at this stage, the crack propagates from the crack-web around the circumference of to the crankpin no.6.

The no.6 connecting rod was in place but the bearing shell forward section found deformed

Nature of repairs

Engine to be completely dismantled and all components to be removed.

All connecting rods to be inspected and calibrated

Crankshaft to be renewed with new set of bearing shells

Engine bedplate pockets to be inspected / calibrated

Note:

A new crankshaft and an engine bedplate along with a damaged cylinder block were found on board stored on the deck between forecastle and no.1 hold hatch coaming. It was reported that these parts were delivered in Varna during September 2006. No certificates were found on board for the crankshaft and bedplate

Estimated repair time

About 30 days afloat

Estimated Cost of repairs

For guidance only EUR 300,000 including general expenses and spares. This cost will be revised once we have the quotation from the repairers and once the full extent of damage becomes known, (especially in the engine bedplate), and confirmation of cost of spares.

Status of repairs

Permanent repairs in hand

ISM SMC details	:	Valid to 6 March 2007
ISM DOC details	:	Valid to 28 September 2007
Casualty ISM reported	:	Yes
Prior related ISN reports	:	Reportedly Yes

Remarks

1. Cause of damage under investigation.
2. According to chief engineer & master, the vessel statement the engine sustained damages on the following previous occasion

March 2006 on the maiden voyage from China to Italy when one of gear train gears holding bolts got loose and damaged the gear train. The vessel was towed to Sri Lanka and repairs were carried out

June 2006 on a voyage from Turkey to Ukraine when the crankshaft counterweight, (in no.1 crankpin), got loose and damaged the engine block. The vessel was towed to Varna and repairs were carried out.

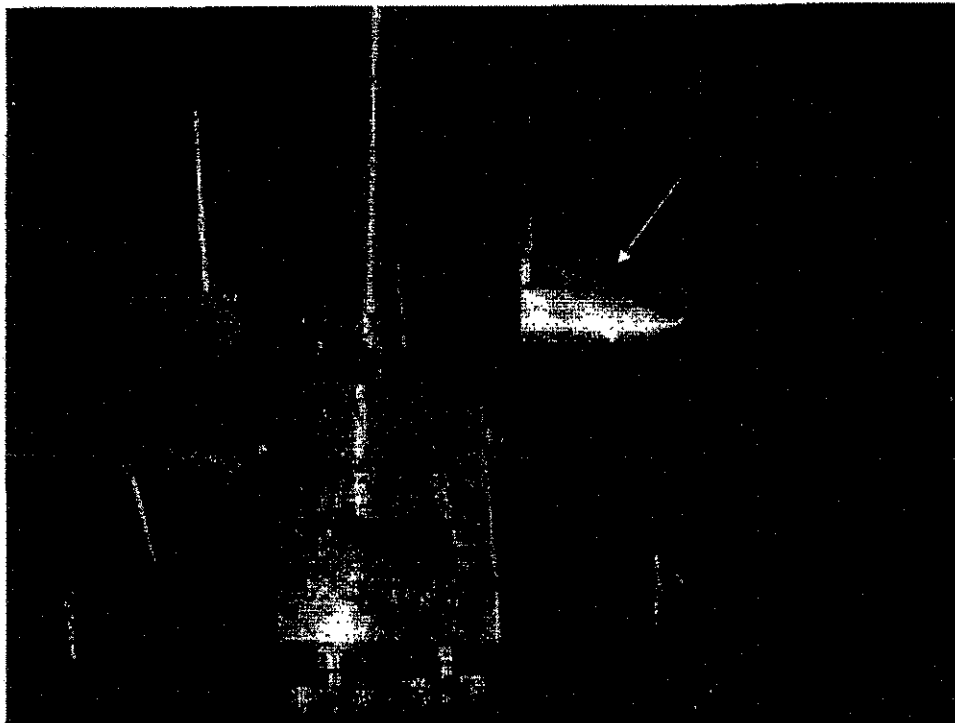
We will looking into the particulars of the above damages, (with whatever information are available on board), and will inform you in due course.

3. We have requested the Owners to provide us with a copy of the quotation of the repairs. So far one quotation received from NAV Marine Ltd , (EUR 110,000 / 20 days repairs)
4. We have requested the agents to contact the managers and advice when they will be sending their superintendent on board and the engine makers service engineer to follow this major repair.
We were informed that no superintended will be coming to follow up the repairs, whilst managers are trying to located the engine makers representative in this area.
5. We also advised the master / owners to inform the vessel's class.
6. We have requested the chief engineer to sent a lub oil sample for analysis.

We shall revert once the engine is dismantled and we have access to the fractured parts.

We attach a photo for the fractured crackshaft

SA Piraeus

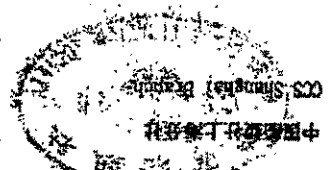


Fractured crank-web

证书格式号/Form: P01.00-
SEC00075

第1页 共2页 / Page 1 of 2

*****本证书正文文到/ End of Text*****



中国船舶社上海分社

本证书所建产品为通用SOLAS 2000年修正案Ch. II-2/Reg. 4.2.2.5.2和Reg. 4.2.2.5.4要求。

其他/ Others

增压器型号/Turbocharger model	: 15892
增压器转速/Overload rev.	: VTR321
超负荷功率(110%)/Overload output	: 649 r/min
额定转速/Rated rev.	: 2868 kW
额定功率(BR)/Rated output	: 630 r/min
最高爆发压力/Max. firing pressure	: 2426 kW
活塞行程/Piston stroke	: 14.70 MPa
气缸直径/Cylinder bore	: 380 mm
气缸数目/No of cylinder	: 300 mm
型式/Type	: 8
船用中速柴油机/MARINE MAIN DIESEL ENGINE	: E83002C22EH

产品描述/Product Description

船用中速柴油机/MARINE MAIN DIESEL ENGINE

证书编号/Certificate No. SH06P01491

EXHIBIT 6

FROM :

FAX NO. :86 22 65292911

Nov. 02 2006 14:09 P1

Wuxi Antai power machinery Co., Ltd

Crankshaft inspection report

Model : G8300

Part no.:8G-07-008

Serial no.:2005-071

Inspection content:

1. dimension and tolerance

Inspection result: accord with the drawing

Conclusion: qualified

2. quality of material and heat treatment

Inspection result: accord with the technical requirements

Conclusion: qualified

3. magnetic particle inspection

Inspection result: no visible magnetic mark

Conclusion: qualified

4. mechanical properties test:

Inspection result: tensile strength 827 N/mm² elongation percentage 4.2%

Conclusion: qualified

5. nodular cast iron metallographic examination

Inspection result:

Graphite type class	Graphite size class	Pearlite	Ferrite	Iron phosphide content	Carbide	Hardness
3	6-4	95%	2.8%	1%	1.5%	260HB

Conclusion: qualified

6. ultrasonic flaw detection

Inspection result: no obvious flaw

Conclusion: qualified

7. static balancing test:

Inspection result: accord with the accord with the technical requirements

Conclusion: qualified

Inspection Conclusion:

The result of inspection meet the technical requirement and criterion ,the product is approved.

Surveyor: 殷建

Date: 2006. 4. 12

